Sectt. II-27—50,006—23-11-42.

Development (1943) Department

MS SERIES.

Passed

G.O. No. 2832

Dated 30.10.43

[Despatch Abstract.]

Industries – Sericulture – Supply of Silk to H M Govt – Govt. Silk Filature Factory, Kollegal – Agreement – terms regarding price of Cocoons & Reeling price modified

Dev. dept: 3
DT

D.O. No. 9502-D/42-1. D) 6-5-43

(Dear Mr.)

Sub: Industries. Sericulture - Madras
Silkworm Cocoon Control - ~~organisation~~ Proposals

Ref: Your D.O. No. 19540/D) 30-4-43 (Mr. Srinivasa Rao)

I am to say that the question of ~~starting~~ introducing the Cocoon Control ~~Order~~ Scheme in this province for Madras under the acute conditions is ~~engaging the attention~~ of the Govt. of India and will receive sympathetic consideration.

Copy sent to Mr. P. Pai ICS
Controller of Supplies
South India Circle
Madras
Ms 5.5.43

2. As regards para 2 of your D.O. cited, action is being taken separately

(

Yours
5.5.43

6/5/43

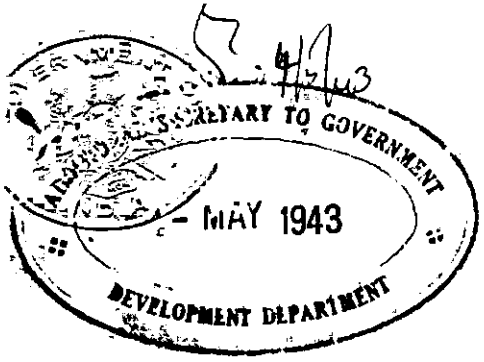
NOTE

4.

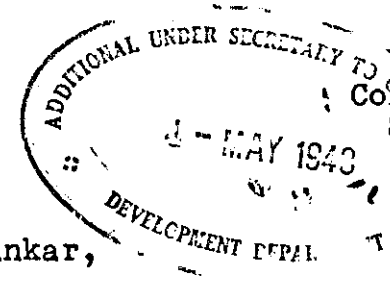
NOTE With ref. to para 1 of the Dc Impl of, a draft Do to the Controller of Supplies is submitted herewith. The manifolding Cocoon Control scheme is now with Audit Secy. C/No. 9502 S/42

Para 11 Necessary extracts have been given to J.D. Actions for action.

Yrs
5/5.43 Vasu
554?



DEPARTMENT OF SUPPLY 3529



D.O.No.19540/B.
Office of the
Controller of Supplie
South India Circle
Madras,
30th April, 1943.

My dear Sivasankar,

I enclose herewith copy of Cl.6 of the agreement with the Government of Mysore relating to adjustment of cocoon prices to the cost of living index. It will be observed that the control measures are required to be enforced simultaneously. Could you please therefore arrange to expedite the Madras Cocoon Control Scheme?

I shall also be grateful if you could arrange to furnish the Special Officer, Silk Scheme, Mysore, the figures for cost of living index for Madras City from November, 1941 and also for every month from now.

Yours sincerely,

SDD.

(M.P. Pai, I.C.S.)

T. Sivasanker, Esq., I.C.S.,
Additional Secretary to the Government of Madras,
Development Department,
Fort St. George, Madras.

End. F.T.C.

"The Government of Mysore will take all such steps as may be necessary for effectively controlling the price of green cocoons (superior quality) at ten annas a pound with suitable price adjustment in relation to the variation in the cost of living index figure from the basic figure in November 1941, subject to the condition that the Government of India take appropriate action to see that similar measures are adopted simultaneously by other silk producing areas in South India."

GOVERNMENT OF INDIA,
Department of Supply

No 19540/B. Encl: one

Madras, 7th May 1943.

ADDITIONAL SECRETARY TO GOVERNMENT
28 MAY 1943
DEVELOPMENT DEPARTMENT

My dear Sivasankar,

Subject: Cocoon Control.

Please see my letters of 5th March 1943 and of 30th April 1943. With reference to the second of these please do not bother about the price index figures since I have suggested to the Mysore Government that they could get these easily in the Fort St. George Gazette. It is proposed by the Government of India to fix the prices for silk produced in Mysore on the basis of the cost of living index figures for Madras City. I gather that Mr.Greogory has suggested that these figures will be more satisfactory than similar figures collected from Mysore.

I suggest that Khaleeli's proposals to base the price of silk produced in Madras area on a contract similar to that agreed to by the Mysore Govt. might be expedited.

I enclose for your information a copy of the calendar of work drawn up by the Special Officer for Silk Expansion Scheme in Mysore. He proposes to get everything ready to bring the price control into force on 1-6-1943 provided the Madras Government are ready to act on the same day. I shall be glad therefore if the Madras Cocoon Control Order and the subsequent work relative to its enforcement is expedited. In this connection will you kindly see my earlier letter referred to above? I feel that more than one open market is necessary both as a matter of administrative convenience and to see that the rearer gets the full benefit of the price fixed. Should there be only one market at Kollegal he will get the price less cost of transport and possibly of brokerage. The Mysore Govt. are also drawing up a sliding scale fixing prices for various grades pro rata to the basic rate of 18 renditta. I shall send you a copy if you are interested in due course.

Yours sincerely,

7/5/43

(M.P.Pai.ICS.).

T.Sivasanker, Esq., ICS.,
Addl.Secretary to the Government of Madras,
Development Department,
Fort St.George, Madras.

PTO

To Addl H.S

Dev. Dept

Submitted for perusal

The main file re: Cocoon Control order was submitted on 3.5.43.

A & C on p.5 above: The draft Cocoon Control order contains provisions in respect of these suggestions, ~~and~~ following those in the Mysore Control Order.

D on p.5 above: The question is under examination. The file has gone to Finance for remarks before circulation. (It is considered that it is early to ask for a revision of the agreement with India before production in the new factory ~~has~~ commences.)

E on p.5 above: D I Sc may be getting it from Mysore and submitting proposals as soon as Control is introduced. For orders thereon the Controller of Supplies will be asked to send the Shipping Scale of prices of different grades of Silk

we may ask for the shipping scale: it will not be of help.

10/5/43. Add.S.

This may be put up when the main file comes back from Govt of India

Govt of India agree & amend one of the terms on the lines the Mysore Govt have agreed to. Will consult Mysore on the main file for Govt of India to be submitted & consider such a request. D

8.5.43

To Addl H.S.

Addl Secy's remarks at M above: Cr. 4.05-43

The file referred to is dealing with the question of revision of prices of Silk will be taken up with India in a separate file.

A draft D.O. to the Controller of Supplies is submitted for approval. After issue of D.O., this papers may be added to the file re: Cocoon Control Scheme.

Secy to Addl

"copy"

COCOONL CONTROL - CALENDAR OF WORK (TENTATIVE).

Date on which the Control Order comes into effect 1st June 1943

Notification in Gazette on 6th, 13th and 20th May. Notices in Kannada Papers also on 6th, 7th and 8th May.

1. ESTABLISHMENT OF MARKETS:

10th May 1943.	(a) Allocation of villages to markets.	Assistant Controller in consultation with Circle Officers - approved by Control.
10th May 1943.	(b) Appointment of Market Committees.	Assistant Controller to submit a list of suitable people who may be appointed as Committee members. Scrutiny and selection by Controller. Notification in the Gazette.
10th May 1943.	(c) Fixing up of buildings for markets.	Assistant Controller. Approved by Controller.
20th May 1943.	(d) (i) Appointment of Market Officers.	Superintendent of Sericulture in consultation with Circle Officers, with the approval of the Special Officer.
	(ii) Appointment of ministerial and menial staff.	Special Officer.
20th May 1943.	(e) Equipment of the Markets.	Stores Purchase Committee to place orders. Assistant Controllers to attend to further details. Circle Officers to place orders for cocoon stores equipment locally.
10th May 1943.	(f) Printing of registers to be maintained at Markets.	Superintendent, Government Press Bangalore.
27th May 1943.	(g) Notification of basic price and sliding scale of prices.	Each month in the Gazette on the last Thursday of the month. First announcement in the Gazette on 27th May 1943.

All these will have to be completed before the 25th May 1943

2. ISSUE OF LICENSES.

8th to 18th May.	(a) Receiving applications for license.	Assistant Controller forwarding after scrutiny and recommending to Controller.
Before 25th May.	(b) Issue of licenses to reeling establishments.	Assistant Controller under instruction from the Controller.
By 25th May.	(c). Fixing quotas to licensed buyers.	Controller on the recommendation of the Assistant Controller.

P.T.O.

responsible position for the last two years and am confident that I will not be found wanting if tried in a more responsible position like the one under reference.

I am a Brahmin and my mother-tongue is Tamil.

I am just aged thirty.

I herewith enclose copies of degrees and testimonials for your kind perusal.

Thanking you in anticipation,

I beg to remain,

Sir,

Your most obedient servant,

S. V. Venkataraman

M a d r a s:
Dated 11th Oct. 1940.

Enc: 4 Copies.

By 25th May.	(d)	Allocating markets to licensed buyers.	Assistant Controller with the approval of the Controller.
By 25th May.	(e)	Fixing Zones to licensed buyers.	Controller.
By 25th May.	(f)	Issue of coupons to licensed buyers.	Assistant Controller.
As and when necessity arises	(g)	Issue of licenses to licensed buyers to sell cocoons purchased by them to other licensed buyers.	- do -
	(h)	Issue of licenses to export cocoons outside the State.	- do -
	(i)	Prosecutions.	Assistant Controller with the approval of the Controller.

Sd/-
Special Officer,
Filature Expansion Scheme.
4-5-43.

P.S.: This Calendar was drawn up expecting that the Assistant Controllers would start preliminary work about end of April 1943. It takes some more time before the Assistant Controllers are appointed and start work. There is a very large amount of preliminary work to be done before bringing the Control Order into effect. As such the order would come into effect nearer the end of June than early in June 1943. After receipt of Government Orders, needful further action would be taken.

From

S.V.Venkataraman, M.A.,
Secretary,
The Madras Motor Vehicles & Allied Merchants Association,
C/o Addison & Co. Ltd.,
Mount Road, Madras.

To

The Controller of Supplies,
South India Circle,
United India Life Building,
MADRAS.

Through

The Chairman,
The Madras Motor Vehicles & Allied Merchants Association,
MADRAS.

Sir,

With reference to your advertisement in "The Hindu" of the 10th instant, I beg to apply for the post of Personal Assistant to the Controller of Supplies, South India Circle.

I am a Master of Arts in Economics (III-B) of the Madras University. After graduating in 1932, I made an attempt to enter the Indian Civil Service through the Delhi Competitive examination in 1933, but failed therein. In 1934, I started a small joint-stock bank at Coimbatore, called the Coimbatore Benefit Bank Ltd., and acted as a Director of the concern till the end of 1937. Since July 1938, I am employed as Secretary of the Madras Motor Vehicles and Allied Merchants Association, an Association vitally interested in the development of motor and allied trade.

I have a good command of English and can also lay claim to a fairly long experience of office management, so far as commercial offices are concerned. I am holding a

Dev. Dept

WE Dopher dd 13543

D.O. No 9502 SC/42-28 13.5.43.

(My Dear)

Sub: Industries - Sericulture - Cocoon Control.

Ref: Your D.O. No 19540/B dd 7.5.1943.

b5 cf.

The Cocoon Control Scheme which is under the Consideration of the Govt of Madras includes provision for more than one cocoon market and for Shipping prices for Silk of various grades. The Control Order is expected to be issued shortly. I am to request you to send me, if possible, a copy of the Shipping Scale of prices for silk, drawn up by the

(C.No 9502 SC/42 Mk A+S.)

Order at B on f. 6 cf.

Mysore Park

As regards the revision of the ceiling price of Rice produced in its premises, the Question is being taken up with the Govt of India separately

Vide order at A1 on p 6 Z. & p 7 ante

C Y.S.

14/5/43. 17/5/43

Cr. 4052/43

VAD 11.5.43

To M. P. Pai Esq ICS
Controller of Supplies

Despatched 14/5/43.

GOVERNMENT OF INDIA
DEPARTMENT OF SUPPLY

11325

D.O. No. 19540/B.
Office of the
Controller of Supplies,
South India Circle,
Madras,
26th May, 1943.

My dear Sivasankar,

Sub.: Cocoon Control.

Please refer to your D.O. letter No. 9502 SC/42-2 dated 13-5-43 on the above subject. I am herewith enclosing a copy of letter No. F.732 dated 21-5-43 from Mr.H. S. Govinda Rao. The word "Silk" in your letter is evidently a mistake for "Cocoons" The Mysore Cocoon Control Order 1943 does not provide for control of silk prices though a separate order is under contemplation in this regard. The manner of fixing the prices on a sliding scale for different grades of cocoons is furnished in his letter.

Yours sincerely,

Encl.: Copy.

SDD.

(M.P. Pai, I.C.S.)

T. Sivasankar, Esq., I.C.S.,
Additional Secretary to the Government of
Madras,
Development Department,
Fort St. George, Madras.

591

Copy with enclosure to A.Khaleeli, Esq.,I.C.S.
Director of Industries & Commerce,
Chepauk, Madras.

GOVERNMENT OF INDIA
DEPARTMENT OF SUPPLY

OFFICE OF THE CONTROLLER OF SUPPLIES, SOUTH INDIA CIRCLE, MADRAS.

(Copy of letter No. F.732 dated 21-5-43 from Mr. H.S. Govinda Rao, B.A., Special Officer, Office of the Special Officer, Filature Expansion Scheme, Mysore (Department of Sericulture) to the Controller of Supplies, (Mr. M.P.Pai), South India Circle, Madras.

I have your letter No. 19540/B dated 17th May 1943 re: sliding scale of prices for silk of various grades drawn up by the Mysore Government under the Cocoon Control Order. I am unable to understand what information you want as the Mysore Cocoon Control Order 1943 does not provide for control of silk prices.

If you want to know the sliding scale for different grades of cocoons, that is worked out in a simple way. The cocoons that come to a market are examined by the Committee members who indicate that a particular lot gives a rendita of 18 to 1, another lot 16 to 1, another lot 20 to 1. If the basic price is one rupee per pound of cocoons of a quality giving a rendita of 18 to 1 (standard) then Rs.18/- have to be paid to 16 pounds of the lot giving a rendita of 16 to 1 and to 20 pounds of the lot giving a rendita of 20 to 1. That means to say cocoons giving a rendita of 16 to 1 have to be sold and bought at Rs.18/16 per pound and cocoons giving a rendita of 20 to 1 at Rs.18/20 per pound.

I hope I have made myself clear.

D.O. Dept

D.O. No 9628 D1/43-1 d 27-5-43

Secretariat

Sub: Cocoon control.

Ref your D.O. No 19540/B d 26.5.43.

I am to thank you for your D.O. cited and to say that the word 'Silk' in my letter of the 13th May 43 is a mistake for 'Cocoon'

(Y.S.)
27/5/43

27.5.43
27.5.43

To M. P. Pai Esq I.C.S. Retd
Controller of Supplies
Madras.
28/5

RECORD NOTE OF A MEETING HELD IN D.D.G.(I)'s ROOM ON THE AFTERNOON OF MONDAY, THE 24th MAY, 1943. 77

P R E S E N T:-

Mr. C.C. Desai, I.C.S.	Deputy Director General (I).
" C.W. Tosh	Director, Textiles.
" S.K. Chaudhuri	Assistant Director, Textiles.
" V. Narayanan	Deputy Financial Adviser (N).
" Venkateswaran, I.C.S.	From Madras.

2. It was agreed that prices for cocoons in Kollegal should be the same as in the adjoining Mysore area; that is to say, the basic price of 10 as. per lb. will be taken as related to the cost of living in November 1941 and will be adjusted from time to time in relation to variations in the cost of living index compiled by the Madras Government.

3. It was also agreed that if cocoon prices were to be varied, it would not be possible for the Madras Government to work to a ceiling rate of Rs.15/2 per lb. of silk equivalent to 'D' grade. This rate of Rs.15/2 as has been explained in the Supply Department letter of the 4th August 1942 to the Madras Government consists of

(a) Cost of cocoons	Rs.11-4-0	and
(b) Other charges	Rs. 3-14-0	
	15-2-0	

Madras Government will now have to work to the ceiling of Rs.3/14 in respect of the other charges only. Mr. Venkateswaran pointed out that there was no stipulation regarding ceiling rates in the agreement with Mysore and that there was no need for the imposition of a ceiling in the case of Madras. It was explained to him that this ceiling*at the instance of the Ministry of Supply in the U.K. The rate of Rs.3/14 per lb. which the Madras Government should work to should be compared with the reeling charges of Rs.3/- payable to the private Filatures. It contains, therefore, a margin of about 25% to cover possible contingencies. The reeling charges should always be well below this figure and in practice it will work more as a theoretical upward limit.

*was imposed

4. It was urged on behalf of the Supply Department that the Madras Government should introduce control over cocoon prices as soon as possible. It would be convenient if the Madras and Mysore Governments could work together in the matter of control.

5. The understanding in the Supply Department was that 20% of the cocoon production would not be suitable for Filature reeling. This quantity will have to be reeled on charka. If the prices of all cocoons were controlled and if all silk from Filatures were also taken over by Government at controlled rates, it would be necessary to take over the charka reeled silk also at controlled prices, otherwise the incidence of control would not be even. The charka reelers will buy the cocoons at controlled rates and sell the reeled silk at uncontrolled rates, that is to say for what it will fetch in a scarcity market, and will reap a benefit at the expense of the cocoon producers. The logical and the equitable course would be for the Government of Madras to take over the silk from the charka establishments also at controlled rates and auction the silk in the market. If this were done, there would be a profit on the transaction. It was suggested on behalf of the Supply Department that the moiety of the extra expenditure on the propagation and supply of disease-free seed to cocoon producers, which the Government of India have agreed to bear, should be charged to the profits realised on the sale transactions.

6. It is understood that the Mysore Government also contemplated taking over the silk from the charka establishments and selling it in the market. It was suggested that the Madras Government might get into touch.....

into touch with the Mysore Government and find out what they intended to do, so that a common plan of action could be decided upon.

Copy to:-

1. Mr. Venkateswaran, I.C.S., Madras.
2. J.F.A.(S)
3. C.O.S., Madras.
4. Mr. Sreenivasan, Minister, Mysore Government, Bangalore.

Development Department. 19

Letter No. 9628 D-I/43-3 dated 4.643

To

The Secretary to the Govt. of India,
Dept. of Supply, New Delhi.

...

Sir,

Sub: Industries - Sericulture - Govt. Silk Filatures/ Factory, Kollegal - Price of Silk Revision of Agreement.

...

I am directed to invite a reference to para 3 of Mr. Karunakaran Menon's letter No. 9401 (1)/42-3 dated 19th Oct., 1942 and to say that the Govt. of Madras consider that clauses ~~iii~~ viii & ix of para 1 of your letter No. SY/IX-62(106) dated 4-8-42 require modification for the following reasons:--

The ceiling price of Rs. 15/2 per pound of silk was fixed with reference to the cost of living index in Nov. 1941 and on the assumption that the controlled price of cocoons will remain constant or at any rate, will not greatly exceed 10as. a pound. It was then thought that, at the rate assumed, the silk-worm rearers would be assured of an adequate return. As the Govt. of India are aware, there has been a phenomenal rise in the price of cocoons since August last,-a maund (25 lbs.) of cocoons costs anywhere from Rs. 40/- to Rs. 50/- and at the present ruling prices of cocoons, production of silk at Rs.15/2 per lb. is impossible. Due to the conditions created by the war, there has been an unprecedented increase in the cost of living. When this Govt. undertook to work the Silk Filatures, Kollegal, they had no intention of making a profit on the silk manufactured, which they agreed to supply at net cost. They pointed out that the fixation of a maximum price in the contract was unnecessary in the circumstances and reluctantly agreed to a ceiling price of Rs. 15/2 in the hope that a contingency such as would involve them in loss would not arise. But, owing to the sharp increase in the ~~existing~~ cost of living, such a contingency has arisen now and if loss is to be avoided, clause ix of para 1 of your letter cited has to be modified.

p.t.o.

The Govt. of Madras felt that there was a strong case for a revision of the terms of the agreement and accordingly took the opportunity afforded by the recent visit to New Delhi of Mr. Venkateswaran, their Yarn Commissioner, to place this aspect of the case before the officers of the Dept. of Supply. I am to say that the Govt. of Madras appreciate the helpful assurance held out at the discussions at New Delhi on 24th May and to request that the Govt. of India may be pleased to agree to the modification of clauses (vii) and (ix) of para 1 of your letter dated 4-8-1942 as follows:--

Clause vii:--

The Govt. of Madras will take such steps as may be necessary for effectively controlling the price of green cocoons (superior quality) with suitable price adjustment in relation to the variation in the cost of living index figure for ~~the~~ Madras City from the basic figure in Nov., 1941. The price of cocoons (Superior quality) ~~should~~ shall be fixed with reference to the ~~basic figure~~ cost of living index figure for Nov. 1941 ~~as~~ shall not ~~to~~ exceed 10as. a lb.

Clause ix:--

"The reeled silk produced by the filatures will be sold to the Central Govt. at the net cost. The cost will include:--

(a) the direct expenditure on the working of the filature, that is to say, the cost of cocoons, wages, stores, provision of motive power, supervisory & establishment etc., directly employed in the management of the filature

plus

(b) interest chargeable on the working capital provided by the Madras Govt.

plus

(c) the share of the Central Govt. in respect of extra expenditure on the progapation and supply of disease free seeds.

Provided that until control of prices of cocoons is effected as contemplated in clause vii, ~~suitable increase in~~ the price of silk will be ~~allowed for the difference between the controlled price for a pound of green~~ calculated with reference to

X ~~cocoon and~~ the actual price paid for the cocoons.

2. As observed already the Govt. of Madras agreed to the retention in the agreement of a ceiling rate for the price of silk with reluctance though they all along held the view that, in the face of their undertaking to supply at net cost, such a stipulation was superfluous. I am to suggest that in view of the revised basis for calculation of the price of silk indicated in the foregoing paragraphs no reference need be made in the agreement to a ceiling rate either in respect of cocoons or of manufacturing charges which have now been fixed at Rs. 3-14-0. No such maximum has been prescribed in the agreement concluded by Mysore and the Madras Govt. consider that no such maximum is necessary.

3. The Govt. of Madras have promulgated a cocoon control order to regulate the purchase and control the prices of cocoons. The Order comes into force from 10-6-43. It is also expected that the production of silk in the factory at Kollegal will be commenced shortly. I am to request that the Govt. of Madras may be informed urgently of the decision of the Govt. of India, in respect of the suggestion made above for the revision of the terms of the agreement.

4. The Govt. of Madras have noted the suggestion made at the discussions on 24-5-43 regarding the control of the price of Charka-reeled silk and the adjustment of the profits realised on the sale of such silk to the share of the Govt. of India in the extra expenditure on the propagation and supply of disease-free seeds. A further communication on the subject will follow in due course.

Copy to D.I. & C.
" to the controller of supplies.

Y.O.S.

Dev. Dept

Letter No 9628 D1/43-4 d 6.7.43

To The Secy to the Govt of India,
Dept of Supply, New Delhi

Sir,

Sub: Industries - Sericulture - Govt Silk Filature Factory, Kollegal - Price of Silk — Revision of agreement.

Ref: My letter No 9628 D1/43-3 d 4.6.43 pp 19-21 above

I am to invite a reference to the letter cited on the subject mentioned above and to enquire when a reply may be expected.

(Y.D.S)

6/7/43

Letter No 9628 D1/43-5 d 7.8.43

To The Secy to the Govt of India
Dept of Supply, New Delhi

Sir,

Sub: Industries - Sericulture Govt Silk Filature Factory, Kollegal - Price of Silk - Revision of agreement.

Ref: My letter No 9628 D1/43-3 d 4.6.43 pp 19-21 above
and Reminder Thereon d 6.7.43 p. 22 above

I am to invite a reference to the letters cited on the subject mentioned above and to enquire when a reply may be expected

Y.D.S

6/8/43

Letter no. 9628 D1/43-6 D/7.9.43.

To The Secy. to the Govt. of India

Dept. of Supply, New Delhi

Dftd 8/9/43

Sub: Industries — Sericulture — Govt. Silk Filature Factory, Kollegal — Price of Silk — Revision of agreement.

pp 19-21 above, p 22 above

Ref:- My letter no. 9628 D1/43-3 D/4.6.43 7.8.43 + Reminders thereon dd 6.7.43 and 7.8.43.

Sir,

I am directed to invite a reference to the letters cited on the subject mentioned above and to enquire when a reply may be expected.

Yours

7/9/43

CTN Dr. is the third Ry. A very reminder may be sent. 6/9/43

Ry 6/9/43

(To send this reminder)

25

C.N. 9625 DI/43

30156

ADDITIONAL UNDER SECRETARY TO GOVERNMENT DEVELOPMENT DEPARTMENT 28 SEP 1943

Government of India.
Department of Supply.
Main Secretariat.

New Delhi the 24th September 1943.

To

The Secretary to the Government of Madras
Development Department
Fort St. George,
Madras.

Subject:- Industries Sericulture-Government Silk Filature Factory, Kollegal - Price of silk-Revision of agreement.

Sir,

I am directed to refer to your letter No.9628 DI/43-3 dated 4th June 1943, and subsequent reminders and to state that the matter is under consideration and a reply will be sent to you as soon as a decision is arrived at.

I have, etc.,

(M. Aslam)

Assistant Secretary to the Government of India

To Addl 2.5.
The reply may be awaited till 15-10-43.

30/9/43 S. May see

Hamid/22.9

No.SY/TX-62(106).
Government of India,
Department of Supply,
Directorate General of Supply,
(Textiles Directorate),
New Delhi, the 8th October, 1943.

To

The Secretary to the Government of Madras,
Development Department,
Madras.

SECRETARIAT DEPARTMENT 32261 13 OCT 1943 DEVELOPMENT DEPARTMENT

Subject:- Silk Expansion Scheme-Issue of Silk-Revision of Agreement.

Sir,

I am directed to refer to your letter No.9628-D.I/43-3, dated the 4th June, and to say that the Government of India agree to Clauses (vii) and ix) of this Department letter No.SY/TX-62(106) dated the 4th August, 1942, being modified to read as follows:-

Clause (vii).

2. "The Government of Madras will take such steps as may be necessary for effectively controlling the price of green cocoons (superior quality), with suitable price adjustment in relation to the variatio in the cost of living Indeex for Madras City from the basic figure in November, 1941. The basic price of cocoons (Superior quality) fixed with reference to the cost of living Index figure for November, 1941, shall not exceed 10 annas a lb.

Clause (ix).

" The reeled silk produced by the Filatures will be sold to the Central Government at net cost. This cost will include:-

(a) The direct expenditure on the working of the filature, that is to say the cost of cocoons, wages, stores, provisich of motive power supervisory establishment etc. direct-ly employed in the management of the filature.

(b) plus interest chargeable on the working capital provided by the Madras Government.

plus

(c) The share of the Central Government in respect of the ext expenditure on the propagation and supply of disease free seeds.

( ) Since the cocoon price control order has been brought into force as from the 15th of June, 1943, and the filatures have not yet started functioning the provision required to be inserted at the foot of clause (ix) is not considered necessary.

3. I am to request that the further communication promised in para ( ) of your letter under reference, regarding the control of the price, of the Charkha reeled silk, and the adjustment of the profits realised on the sale of such silk to the share of the Government of India in the extra expenditure on the propagation and supply of disease free seeds, may kindly be sent at an early date. I am also to request that monthly reports be furnished to this Department showing the movement of the cost of Living Index.

I am, etc.,

Deputy Secretary to the Government of India.

Draft I

Dev Dept 29

Sub Industries - Sericulture - Supply of Silk to H.M.G. - Govt Silk Filature Factory, Kollegal - Agreement - Terms regarding price of Cocoons and Ceiling price modified

Read above G.O. No. M. 378 Dev d 1.10.42

Read also from the Govt of India Dept of Supply, (D.G. of Supply Textile Directorate) No Sy/Tx-62(106) d 8.10.43

Order No 2832 Dev. d 30.10.43

Clauses (vii) and (ix) of the Annexure to G.O No M 378 Dev dated 1.10.42 will be modified to read

as follows

Clause (viii): 'The Govt of Madras will take such steps as may be necessary for effectively Controlling the price of green Cocoons (superior quality), with suitable price adjustment in relation to the variation in the Cost of living index for Madras City from the basic figure in November 1941. The basic price of Cocoons (superior quality) fixed with reference to the Cost of living index figure for November 1941, shall not exceed 10 annas a lb.

Clause (ix): The reeled silk produced by the Filatures will be sold to the Central

Govt at net cost. This cost will include:-

(a) The direct expenditure on the working of the filature, that is to say the cost of cocoons, wages, Stores, provision of motive power, supervisory establishment etc directly employed in the management of the filature.

plus

(b) Interest chargeable on the working capital provided by the Madras Govt.

plus

(c) The Share of the Central Govt in respect of the extra expenditure on the propagation and supply of ~~disease~~ disease free

4.32

seeds.

18.10.43

21/10/43

To The Dise
A.G. Thro Dir.
Controller of Supplies,
Dept of Supply, Govt by Madras
India.

Copy to SF.

PTO

Dev Dept

Draft II

Letter No 9628 D/42-8 d 30.10.43.

Issue with endorsements

To The Secretary to the Govt of India,
Department of Supply (D.G.I. & S.) Textiles Division,
New Delhi

Sir,

Sub: Industries - Sericulture - Silk Expansion Scheme.

Ref: The Bihar letter No. SY/Tx-62(106) dated 8.10.43.

I am directed to forward a copy of the proceedings No. 2832 Dev dated 30-10-43 regarding the modifications in the agreement for the supply of silk produced in the Govt silk filature factory, Kollegal.

Draft I at pp 1-4 above

2. As regards paragraph 3 of the letter cited, I am to say that the Govt of Madras have already taken steps to control the prices of charkha reeled silk. Vide Copy of G.O. No 2442 Dev dt 2.10.43 enclosed. The suggestion for the adjustment of the profits realised on the sale of charkha reeled silk to the share of the Govt of India in the extra expenditure on the propaganda and supply of disease free seed is separately under examination and a further communication will be sent to you in due course.

p27 of

— a copy was sent to India already

Copy at (R)

Monthly reports showing the movement of

Separate file — Ref below.

Dealt with the cost of living index for the Madras city in J.S. will be sent to you separately as desired in the letter cited

C 21/10/43

OR
18/10/43

20/10/43

Copy to DIBC
Copy to Controller of Supplies,
Copy to JF Section

Government of Madras

PUBLIC (ELECTIONS) DEPARTMENT

G.O. No. 243, 3rd February 1939

Elections—Provincial Legislature—Rules for conduct of elections—Assembly and Council—Number of persons to be employed for payment by candidates and their descriptions—Amendments issued.

Order—No. 243, Public (Elections), dated 3rd February 1939.

The following notifications will be published in the *Fort St. George Gazette*.—

NOTIFICATIONS.

In exercise of the powers conferred by paragraph twenty of the Fifth Schedule to the Government of India Act, 1935, and paragraph six of Part II of the Government of India (Provincial Elections) (Corrupt Practices and Election Petitions) Order, 1936, and of all other powers enabling him in that behalf, His Excellency the Governor of Madras is hereby pleased to make the following amendments to the Madras Legislative Assembly Electoral (Elections and Election Petitions) Rules, 1936, published with Public (Elections) Department Notification No. 42, dated the 16th October 1936, in the *Fort St. George Gazette* Extraordinary, dated the 16th October 1936, as subsequently amended :—

AMENDMENTS.

In the said rules—

(1) in rule 97, for the words "as an agent" the words "as an agent, sub-agent or messenger" shall be substituted; and

II

In exercise of the powers conferred by paragraph twenty of the Fifth Schedule to the Government of India Act, 1935, and paragraph six of Part II of the Government of India (Provincial Elections) (Corrupt Practices, and Election Petitions) Order, 1936, and of all other powers enabling him in that behalf, His Excellency the Governor of Madras is hereby pleased to make the following amendments to the Madras Legislative Council Electoral (Elections and Election Petitions) Rules, 1936, published with Public (Elections) Department notification No. 46, dated the 27th October 1936, at pages 1448 to 1477 of Part I of the *Fort St. George Gazette*, dated the 27th October 1936, as subsequently amended :—

AMENDMENTS.

In the said rules—

(1) in rule 77 for the words "as an agent" the words "as an agent, sub-agent or messenger" shall be substitut-

NOTES

Extract of notes from C.No.4052-D/43 relating to the debit of expenditure on preliminary training for the subordinate supervisory staff and labour in the silk Filatures to capital expenditure.

* * *

I agree with the D.I.& C that the agreement concluded by the Mysore Govt with India gives Mysore far better terms than the agreement concluded by us. But the fact that another Govt, by more skiilful negotiations has succeedded in getting better terms does not by itself justify a request by this Govt for an amendment of the agreement entered into by them. Should it appear in actual working that we cannot supply silk at or below the ceiling price without serious loss we will be on firmer ground if we apply to India for a revision. We may then use the argument that where two contiguous areas are producing silk under identical conditions the terms should not be noticeabl more advantageous to the one than to the other.

2. As a matter of interest, I may mention here that India opposed very strongly the ' three year certain' clause in the Mysore agreement when it was put to them and agreed to only very reluctantly when the Govt. of Mysore made the acceptance of that clause a condition of participation in the scheme.(I got this information from the Sericultural Expert, Mys Mysore when I went to Mysore during Easter). Now that we are committed to the scheme, we cannot take strong line that Mysore took in their negotiations with India.

3. So far as the present request is concerned we have assumed all along that the expenditure incurred on the preliminary training of labour and the subordinate supervisory staff should be an item of capital expenditure. I think that our request is very reasonable. We should press it. Finance may see before circulation.

T.S.
9-5-1943

Fin

Finance dept.

* * *

The letter of the D.I.& C indicates that in view of the rise in prices, silk cannot be now produced at the ceiling price under our agreement except at a loss. I suggest that Development consider whether we should not now ask

for the ceiling price to be waived or raised and the agreement revised on the lines of the Mysore agreement, as we obviously cannot be expected to produce at a loss and it was made clear previously that we were not prepared to do so.

D.W.D
8-5-1943

Dev. Dept.

Finance Secy's notes above:- Reference is invited also to Addl. Secy's notes in the margin at page 6 c.f(~~in the l.f.~~ below) The question of revision of the prices of silk may be taken up with India separately.

* * *

In my note at page 6 above, I suggested that we should defer asking India to revise the agreement on the lines of the Mysore agreement. On reconsideration, I agree with Mr. Pai(who has supported the D.I.& C's proposals) that we should get the more advantageous Mysore clause at A on page 7 c,f) in regard to the fixation of the basic price incorporated at once in our agreement in place of clauses IX and X at page 3 of (M)

T.S.
13-5-1943

A2

H.M.H
14-5-1943

T.S.
17-5-1943.

To Addl U.S.

M above. A draft letter to the Govt of India is submitted for consideration. Finance Secy may perhaps see before issue

The Ceiling price was fixed at Rs 15/2[x] on the assumption that the price of Cocoons would be controlled. We cannot insist on this on the arguments advanced in the draft note. pl check.

21/5/43

Finance Y.C. who is now in Delhi has been asked to discuss this question with the Secretary. Letter to Govt of India may be issued after we hear from Y.C. in this regard. To be seen again when Y.C returns from Delhi.

21/5/43

[From the Controller of Supplies, Madras D.P. No 19540/B d 26.5.43]

To Addl. Secy.

Please see the D.O. (said) at pp 11-12 cf and the reply thereon from the Controller at pp 13-15 cf.

M on p 13 cf: The word 'Silk' in the D.O. at pp 11-12 cf is a mistake for 'Cocoons'. The mistake is regretted.

The D.I.& C. has been asked to submit draft notification for approval re: clause 8 of the Madras Silkworm Cocoon Control Order, 1943 and his report is awaited. The information relating to the Sliding Scale of prices for cocoons has been furnished by the Controller to the D.I.& C. also and his reply will include the basis to be adopted for this purpose. No further action is called for on the letter at p 13 cf.

Subject to orders, a draft D.O. to the Controller is submitted at p 16 cf. for consideration.

27/5/43

[Issued as D.O. No 9628 D1/43-1 dt 27.5.43 to Controller of S.]

To Addl J.S.

1. M on p 2 above: A draft D.O. to the Y.C. is submitted for approval.

29/5/43. A.J.S. Y.C. has the Deputy Secretary's

29/5/43

Sub:-Industries-Sericulture-Government Silk Filatures, Kollegal

Supply of silk-Price to be revised.

The annexure to the G.O.No.378-M Dev dated the 3rd October 1942 contains the terms of the agreement between the Government of India and the Government of Madras in regard to the supply of silk for war purposes. Clauses (ix) and (x) of the annexure indicate the procedure for the calculation of the price of silk to be supplied by the Govt. Silk Filatures at Kollegal. The D.I.& C has reported that the agreement entered into by Mysore with the Government of India contains more advantageous terms than those in the agreement concluded by this Govt. and has suggested that the Government of India be addressed to have the terms in the Mysore agreement incorporated in to our agreement. Para 4 (P). ofx at page 7 of the proceedings of the Govt. of Mysore relating to the silk expansion scheme in that State gives the basis of calculation of the basic price of silk. Government of India has now to be pressed to agree to the incorporation of this para in the agreement relating to this province.

No Case for a Written Note in the D.I.C's Letter at (N).

G. 20/5/43

Y.C. 4.5.

For discussion with Mr Sarjeant Director-General / Supplies.

U.O. note

[illegible], Madras, dep: [illegible], 24-5-1943

[illegible] Secretary to [illegible] Government [illegible] Director General ([illegible]), [illegible] Director [illegible] Mills (), [illegible] Madras and [illegible] T.I.C. [illegible]. [illegible] point [illegible] cases [illegible] I [illegible]. It was therefor[illegible] extremely [illegible] [illegible] to [illegible] large [illegible] Director General [illegible]. Sargent [illegible] over to [illegible] Economic Adviser, [illegible] Hood, (A) [illegible] personal interest that [illegible] [illegible] in the [illegible] of the [illegible] Government Silk Filatures [illegible] Kollegal.

2. [illegible] generally [illegible] [illegible] official [illegible], [illegible] [illegible] I will [illegible] way here. I enclose, for [illegible] information of the Government, [illegible] the [illegible] [illegible] over [illegible] [illegible].

pp 17-18 cf.

[illegible]

Letter of even date to Dadabhoy Regarding [illegible]
—Vide P. of 6th

[illegible] be dealt with separately.

S. Venkateswaran.

S. Venkateswaran & Dadabhoy Draft letter | X

30/5/43

ADDITIONAL UNDER SECRETARY TO GOVERNMENT
30 MAY 1943
DEVELOPMENT DEPARTMENT

Ad. S.

Need on 7/5 [illegible] Ad S

To Addl U.S.

Please see N on p 2 above and the U.O. note of the Y.C. at pp 5–6 above after his discussions with the officers of the Dept of Supply at New Delhi. As directed at X on p 6 above, a draft letter to India is submitted for consideration.

Abstract

Sec 22.5.43

[put up clean copy, the draft letter as amended may be issued.

Draft letter issued.

S.S. 2/6/43

Sir E. Mieg

Desp no. 9628 D/43-2
2.6.43

Finance (Accts. B)

Please see Secretary's note extracted on pages 1–2 ante and further notes from page 5 ante.

The draft letter to the Govt of India may be accepted

A slight change in wording indicated in pencil on p. 2 of the draft is suggested.

2.6.43

DSW 3.6.43 Dept.

ASSISTANT SECRETARY
2 JUN 1943
FINANCE DEPARTMENT

Fin no 14133 Accts.
3-6-43

Dep

The draft as slightly altered by Fin may issue

3/6/43. Ad.S

A/L may see A on p.5 ante & the draft letter & the Govt of India

3.6.43

S.S. 3/6/43

S.S. 3/6/43

Pp 19-21 cf [Issued as letter no 9628 D/43-3 d 4.6.43 to Govt of India]

p. 1 cf [From the Govt of India, Dept of Supply No SY/7x 62(106) d 8.5.43]

To Addl U.S.

Please see the letter issued to India at pp 19-21 cf. and their reply at p 27 cf.

The suggestions of the Govt regarding the removal of ceiling prices for silk and the adjustment of price of cocoons for variation in case of living index have been accepted. For the reasons stated at M on p 27 c, the proviso proposed by the Govt at X on pp 20-21 c is not considered necessary. This may be agreed to. Subject to orders a draft order is submitted for approval.

Para 3 of letter at p 27 c:

The Madras Silk Control order, 1943, since issued provides for the control of prices of Charkha reeled Silk. A copy of this order has been sent to India already.

The suggestion of India for the adjustment of profits realised on the sale of charkha reeled Silk to their share in the extra expenditure on the propagation & supply of disease free seeds is under examination by the D I & C.

Separate action is being taken to supply India with monthly reports on the movements of Cost of living Index.

Subject to orders, a draft letter to India is submitted for approval

The Case may be sent to Fin. Dept. for perusal of India's reply

20/10/43 S. Jin (Accounts B) 21/10/43

(Previous Fin. note on p. 7 above)

The Govt. of India letter on p. 27 c/f may be perused in reply to letter on pp. 19-21 c/f and above

Dept. 24-10-43

Dept. Fin. no. 34337 dated 26-10-43

NPD 22.10.43

22.10.43

34337

9628 D/43

To Addl. U.S. [Notes at pp 7-8 above]

For orders Whether the draft ltr and the letter to India may now issue.

The letter to India may issue

26/10/43 S.

Mr 25.10.43 25/10/43 26.

Sir may see this Secy's letter at pp 19-21 C.f. India's Telegram at p. 27 C.f.

The draft letter to India may issue.

26/10/43

By

(Signature)

29/10/43

pp 29-32 cf

[Issued as No. 2832 dt 30.10.43 and Letter No. 9628 D/43-8 dt 30-10-43]

Clerk